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BUREAU OF EMPLOYMENT SECURITY
Division of Economic Analysis and Research

LABOR MARKET DIGEST

December 1988

The Labor Market Information Newsletter on Maine Economic Activity

Year-End Economic Review

The Maine economy experienced another strong year in 1988. Nonfarm employment continued to record strong growth, with the most significant gains recorded in retail trade, services, construction, transportation equipment, and electronic and other electrical equipment. As a result, Maine's unemployment rate ranks among the lowest in the nation.

Maine's superior economic performance during the past year was felt throughout the State. Regional differences in unemployment diminished as the extremely tight labor markets in southern Maine forced employers to look north for available labor.

Civilian Labor Force

During 1988 employment growth continued to outpace civilian labor force gains in Maine. Between 1987 and 1988 the civilian labor force increased by 2.0 percent, from 587,000 to 598,900. At the same time resident employment increased by 2.7 percent, from 561,000 to 576,000.

While the number of people in the civilian labor force increased by 11,900 between 1987 and 1988, total resident employment grew by 15,000. As a result of employment growing faster than the number of people available to take jobs, unemployment dropped by 3,100 between 1987 and 1988. With 3,100 fewer persons unemployed, Maine's unemployment rate fell from 4.4 percent in 1987 to 3.8 percent in 1988, setting a 35-year record. The last time Maine's rate was 3.8 percent was in 1953. The statewide rate compares favorably with the national rate which declined from 6.2 percent in 1987 to 5.5 percent in 1988. For the eighth straight year Maine's unemployment rate fell below the national average. During 1988 a monthly rate of 2.2 percent was recorded in September, representing the lowest recorded unemployment rate in Maine since August 1956.

Counties

All counties within Maine, with the exception of Waldo and Knox, had unemployment rates lower than their 1987 averages. The tightest labor markets in 1988, as measured by unemployment rates, were in the southern and coastal counties including Cumberland (2.0 percent), York (2.6 percent), Sagadahoc (2.6 percent), and Lincoln (2.9 percent). The highest 1988 unemployment rates were recorded by Washington (8.8 percent) and Waldo (7.8 percent) counties.

Nonfarm Wage and Salary Employment

During the past year nonfarm employment increased by 4.6 percent, or by 23,100 jobs. Growth in nonfarm employment was led by the nonmanufacturing sector, similar to the

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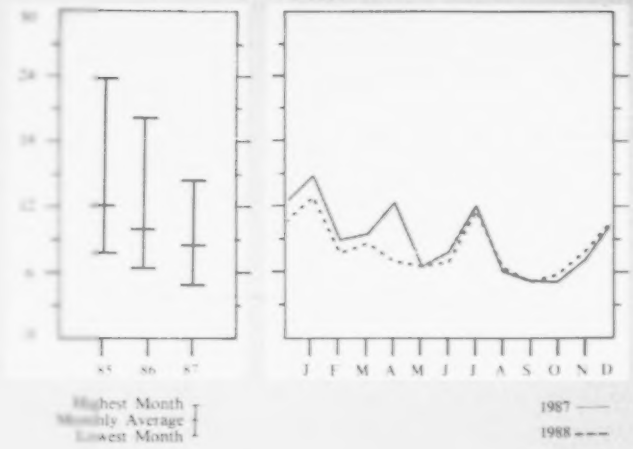

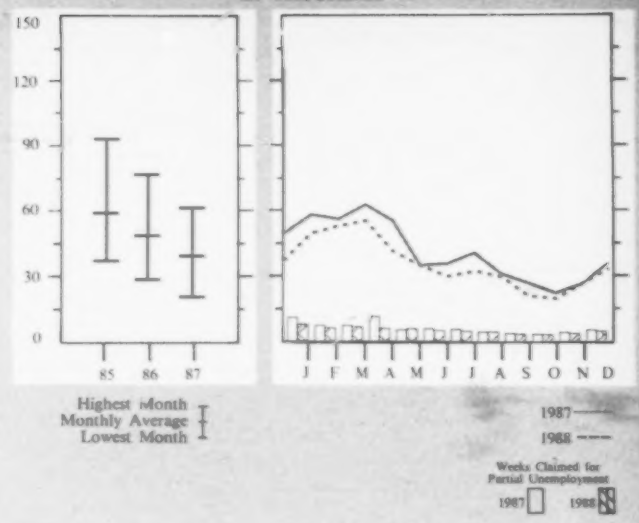

growth registered between 1986 and 1987 when nonmanufacturing employment gains led to a 4.9 percent increase in nonfarm employment.

Nonmanufacturing

Employment in the nonmanufacturing sector increased by 19,300 between 1987 and 1988, with the most substantial gains recorded by the retail trade, services, and construction industries. All other nonmanufacturing industries including government; finance, insurance, and real estate; wholesale trade; and transportation and public utilities also registered employment increases over the year. During 1988 all-time employment highs were reached by several of the nonmanufacturing industries including retail trade; services; construction; wholesale trade; and finance, insurance, and real estate.

Manufacturing

Manufacturing employment recorded a 3.7 percent increase between 1987 and 1988. Durable goods industries accounted for most of the manufacturing employment growth with an increase of 3,600 jobs. Transportation equipment employment rose by 1,800 jobs, mainly in shipbuilding, while employment in the electronic and other electrical equipment industry rose by 1,500, as several firms have grown significantly over the year. All the other durable goods industries recorded employment growth over the year with the exception of the lumber and wood products and primary metal industries. Within the lumber and wood products industry, employment declines were recorded in the miscellaneous wood products and logging contractors industry groupings. Losses in the miscellaneous wood products industry were due in part to increased competition from the plastics industry and the relocation of plant operations to foreign countries with lower labor costs. Logging contractors recorded some losses due to increased mechanization of harvesting methods.

Total employment in nondurable goods industries remained steady between 1987 and 1988. The only significant change by a nondurable goods industry was a gain of 500 in the paper and allied products industry.

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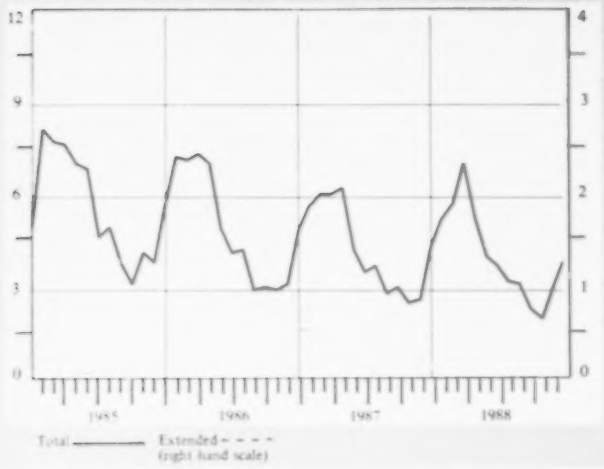
Selected Employment Security Activities

UI Benefit Payments

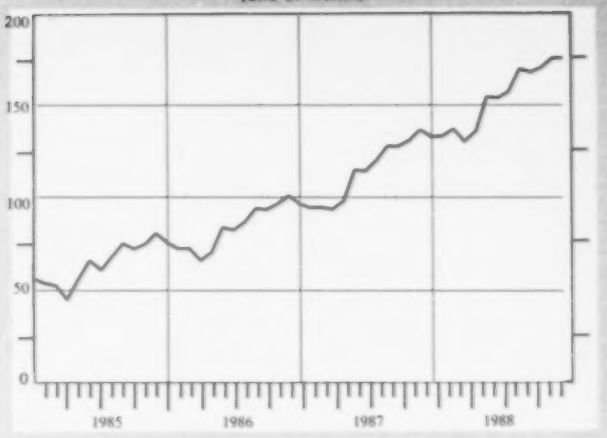
In Millions

(Total Includes Maine's Portion of Extended Benefits)



Unemployment Compensation Fund Balance in Millions

(End of Month)



Nonfarm Wage and Salary Employment by Place of Work

in Thousands

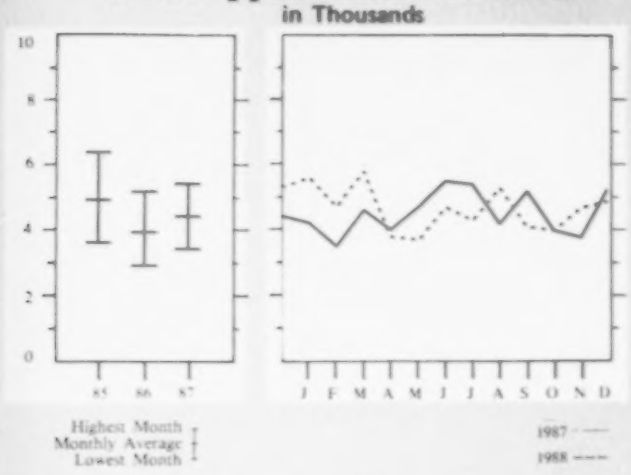
ITEM	STATEWIDE This Month	STATEWIDE Last Month	STATEWIDE Year Ago	PORTLAND MSA This Month	PORTLAND MSA Last Month	PORTLAND MSA Year Ago	LEWISTON-AUBURN MSA This Month	LEWISTON-AUBURN MSA Last Month	LEWISTON-AUBURN MSA Year Ago
Total Nonfarm Wage and Salary Employment 1/	532.6	533.8	517.9	132.5	131.6	128.0	41.7	41.5	40.0
Total Manufacturing	109.9	109.8	106.6	17.4	17.2	16.4	10.0	10.1	10.4
Durable Goods	53.6	53.4	50.1	8.7	8.6	7.9	2.9	2.9	2.8
Lumber and Wood Products	13.7	13.5	14.1	0.7	0.7	0.9	0.6	0.5	0.3
Primary and Fabricated Metals	3.8	3.7	3.5	0.6	0.5	0.5	0.8	0.8	0.8
Industrial Machinery and Equipment	4.9	4.9	4.5	2.2	2.2	2.3	0.2	0.3	0.2
Electronic and Other Electric Equipment	11.9	12.1	11.3	3.6	3.6	3.3	0.8	0.8	0.8
Transportation Equipment 2/	13.8	13.7	11.5	(d)	(d)	(d)	0.2	0.2	0.2
Other Durable Goods 3/	5.5	5.5	5.2	1.6	1.6	0.9	0.3	0.3	0.5
Nondurable Goods	56.3	56.4	56.5	8.7	8.6	8.5	7.1	7.2	7.6
Food and Kindred Products	7.3	7.5	7.2	1.9	1.9	2.0	0.9	0.8	0.9
Textile Mill Products	6.3	6.2	6.8	(d)	(d)	(d)	1.1	1.1	1.3
Apparel and Other Textile Products	3.1	3.1	3.2	0.2	0.2	0.2	0.1	0.1	0.1
Paper and Allied Products	17.4	17.4	17.0	(d)	(d)	(d)	0.5	0.5	0.6
Printing and Publishing	5.5	5.5	5.5	1.7	1.7	1.6	0.7	0.7	0.7
Rubber and Misc. Plastic Products	3.7	3.6	3.6	0.2	0.2	0.2	1.8	1.8	1.7
Leather and Leather Products	11.8	11.9	12.1	1.4	1.4	1.7	2.0	2.2	2.2
Footwear (except Rubber)	9.9	10.0	10.1	n/a	n/a	n/a	1.8	1.9	1.8
Other Nondurable Goods 4/	1.2	1.2	1.1	3.3	3.2	2.8	*	*	0.1
Total Nonmanufacturing	422.7	424.0	411.3	115.1	114.4	111.6	31.7	31.4	29.6
Construction and Mining	35.0	36.2	31.8	9.2	9.4	9.8	2.3	2.4	2.2
Building Construction	12.1	12.6	12.5	2.8	2.8	2.7	0.6	0.6	0.5
Special Trades Contractor	16.6	16.8	14.2	4.9	5.0	4.9	1.5	1.6	1.6
Transportation and Public Utilities	21.5	21.5	20.3	5.6	5.5	6.0	1.4	1.4	1.5
Wholesale Trade	25.6	25.3	24.6	10.3	10.2	9.7	2.1	2.1	2.0
Retail Trade	108.4	106.4	106.7	30.6	29.7	28.1	8.9	8.6	7.8
Food Stores	19.8	19.7	19.0	4.7	4.7	4.2	1.4	1.4	1.4
Eating and Drinking Places	31.8	31.4	29.3	8.1	8.1	7.8	2.5	2.4	2.3
Finance, Insurance and Real Estate	25.5	25.4	25.1	12.6	12.6	12.6	2.3	2.3	2.2
Banking	9.2	9.2	8.7	3.2	3.2	2.9	0.9	0.8	0.8
Insurance Carriers, Brokers and Agents	10.1	10.1	10.3	6.3	6.3	5.4	0.7	0.7	0.6
Services	111.8	112.5	109.3	30.1	30.3	29.1	10.6	10.5	10.0
Hotels and Other Lodging Places	6.6	7.2	6.4	1.4	1.4	1.4	0.2	0.2	0.2
Business Services	12.2	12.2	11.6	5.3	5.3	4.9	0.9	1.0	0.9
Health Services	42.6	42.7	42.0	10.4	10.4	10.1	4.2	4.3	4.3
Federal Government	19.0	18.9	18.9	2.1	2.1	1.9	0.3	0.3	0.3
State and Local Government 5/	75.9	77.8	74.6	14.6	14.6	14.4	3.8	3.8	3.6
Involved in Labor-Management Disputes	0.0	0.0	1.6	0.0	0.0	0.2	0.0	0.0	0.0

1/ Employment figures relate to full- and part-time wage and salary workers in pay periods including the 12th of the month. Domestic workers in private households, proprietors, self-employed, and unpaid family workers are excluded. 2/ Transportation equipment and instruments are combined in the Lewiston series. 3/ Includes Standard Industrial Classification (SIC) codes: Statewide - 25, 32, 38, 39; Portland - 25, 32, 37, 38, 39; Lewiston - 25, 32, 39. 4/ Includes SIC codes: Statewide - 28, 29; Portland - 22, 26, 28, 29; Lewiston - 28, 29. 5/ Regular teachers are included in summer months whether or not specifically paid in those months. n/a - data not available in sufficient detail for publication. *Less than 50. (d) Nondisclosure item.

THESE DATA ARE DEVELOPED BY THE MAINE BUREAU OF EMPLOYMENT SECURITY IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS.

New Applications For Work

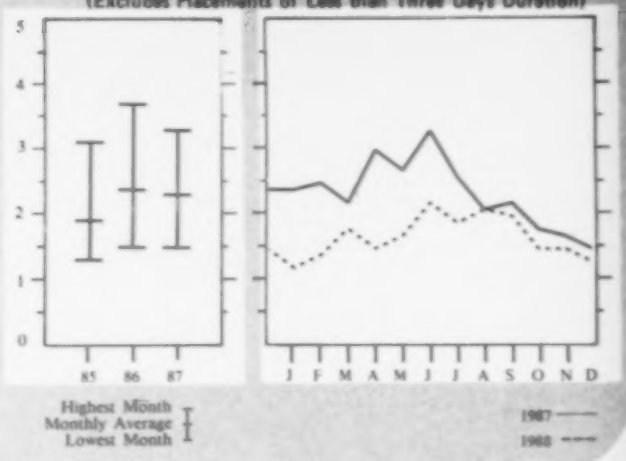
in Thousands



Nonfarm Placements

in Thousands

(Excludes Placements of Less than Three Days Duration)



Earnings and Workweek of Production Workers in Manufacturing Industries

AREA AND INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS			ANNUAL AVERAGE HOURLY EARNINGS		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	1987	1986	1985
STATEWIDE												
Manufacturing	$374.12	$372.93	$370.12	39.8	40.1	41.4	$9.40	$9.30	$8.94	$8.77	$8.65	$8.40
Durable Goods	352.34	351.20	361.24	39.5	40.0	42.7	8.92	8.78	8.46	8.32	8.52	8.46
Lumber and Wood Products	368.74	363.69	338.99	40.7	40.5	40.5	9.06	8.98	8.37	7.82	7.74	8.06
Primary and Fabricated Metals	403.10	376.98	399.25	44.2	42.5	42.7	9.12	8.87	9.35	8.94	8.58	8.25
Industrial Machinery and Equipment	455.81	437.93	477.74	44.6	51.1	53.2	10.22	8.57	8.98	9.20	9.62	9.11
Electronic and Other Electric Equipment	311.34	316.48	321.88	35.1	35.4	40.9	8.87	8.94	7.87	8.03	7.94	7.57
Other Durable Goods	332.14	341.02	376.26	39.4	39.7	43.7	8.43	8.59	8.61	8.60	9.41	9.50
Nondurable Goods	395.39	393.96	378.82	40.1	40.2	40.3	9.86	9.80	9.40	9.18	8.76	8.31
Food and Kindred Products	288.56	280.82	276.02	39.1	38.0	37.0	7.38	7.39	7.46	7.16	7.00	6.63
Textile Mill Products	319.97	330.01	293.96	39.6	41.2	39.3	8.08	8.01	7.48	7.35	7.04	6.64
Apparel and Other Textile Products	250.05	270.27	220.54	37.1	39.0	35.4	6.74	6.93	6.23	5.92	5.73	5.83
Paper and Allied Products	633.85	630.00	604.80	44.7	45.0	44.8	14.18	14.00	13.50	13.43	12.70	12.25
Leather and Leather Products	253.05	250.36	250.80	37.6	37.2	38.0	6.73	6.73	6.60	6.34	6.05	5.93
Other Nondurable Goods	325.74	325.22	339.73	37.1	36.5	40.3	8.78	8.91	8.43	8.28	8.00	7.51
PORTLAND MSA												
Manufacturing	402.19	398.95	389.62	39.2	39.5	43.1	10.26	10.10	9.04	9.13	9.17	8.90
LEWISTON-AUBURN MSA												
Manufacturing	324.14	318.45	315.47	38.0	38.6	41.4	8.53	8.25	7.62	7.40	7.19	6.78

Female Labor Force in Maine

in Thousands

ITEM	This Month 1/	Last Month 1/	Year Ago 2/
Labor Force	267.4	271.8	262.5
Unemployed	9.3	9.0	10.0
(Percent)	3.5%	3.3%	3.8%
Resident Employed	258.1	262.8	252.5

U.S. Consumer Price Index

BASE PERIOD	This Month	Last Month	Year Ago	Last Dec.
(1982-1984 = 100) All Items (CPI-U)	120.5	120.3	115.4	115.4

Percent Change for Past Month	+0.2%
Percent Change from Last December	+4.4%
Percent Change from 12 Months Ago	+4.4%

1/ Preliminary estimates 2/ Revised

Labor Force, Employment and Unemployment

in Thousands

AREA 1/	LABOR FORCE 2/			RESIDENT EMPLOYED			UNEMPLOYMENT Number			UNEMPLOYMENT Percent of Labor Force		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
MAINE-Statewide	594.5	605.9	589.5	573.9	588.1	567.9	20.6	17.8	21.6	3.5	2.9	3.7
MAJOR LABOR MARKETS												
Bangor MSA	44,000	44,000	43,600	42,700	43,000	42,300	1,300	1,000	1,300	3.0	2.3	3.0
Lewiston-Auburn MSA	42,300	42,500	41,700	40,600	41,000	39,800	1,700	1,500	1,900	4.0	3.5	4.6
Portland MSA	130,000	130,800	128,000	127,700	128,600	125,600	2,300	2,200	2,400	1.8	1.7	1.9
Portsmouth-Dover-Rochester MSA 3/	n/a	136,900	132,600	n/a	134,600	130,500	n/a	2,300	2,100	n/a	1.7	1.6
OTHER LABOR MARKETS												
Augusta	33,680	34,580	33,480	33,130	33,830	32,320	750	750	1,160	2.2	2.2	3.5
Bath-Brunswick	28,610	29,480	27,840	28,110	29,010	27,120	500	470	720	1.7	1.6	2.6
Belfast	11,300	11,500	11,660	10,400	10,810	10,750	900	690	910	8.0	6.0	7.8
Biddeford	27,310	27,640	26,080	26,370	27,100	25,340	940	540	740	3.4	2.0	2.8
Boothbay Harbor-Wiscasset	13,810	14,660	13,320	13,320	14,180	12,840	490	480	480	3.5	3.3	3.6
Calais-Eastport	14,190	14,730	14,020	13,260	13,780	12,980	930	950	1,040	6.6	6.4	7.4
Caribou-Presque Isle	21,620	21,770	21,470	20,060	20,540	19,750	1,560	1,230	1,720	7.2	5.7	8.0
Central Penobscot	2,870	2,980	2,690	2,760	2,900	2,570	110	80	120	3.8	2.7	4.5
Dover-Foxcroft	6,850	6,920	6,890	6,550	6,660	6,610	300	260	280	4.4	3.8	4.1
Ellsworth	21,630	22,970	21,580	20,600	22,000	20,430	1,030	970	1,150	4.8	4.2	5.3
Farmington	12,670	12,720	12,680	12,250	12,350	12,190	420	370	490	3.3	2.9	3.9
Fort Kent-Allagash	5,240	5,350	5,290	4,960	5,100	5,040	280	250	250	5.3	4.7	4.7
Greenville	1,480	1,450	1,440	1,370	1,410	1,340	110	40	100	7.4	2.8	6.9
Houlton	5,320	6,060	6,050	5,140	5,850	5,830	180	210	220	3.4	3.5	3.6
Kittery-York 3/	30,290	30,700	29,680	29,920	30,430	29,290	370	270	390	1.2	0.9	1.3
Lincoln-Howland	5,340	5,450	5,480	5,020	5,140	5,240	320	310	240	6.0	5.7	4.4
Livermore Falls	4,190	4,160	4,490	3,980	4,030	4,200	210	130	290	5.0	3.1	6.5
Madawaska-Van Buren	3,780	3,810	3,760	3,490	3,540	3,430	290	270	330	7.7	7.1	8.8
Millinocket-East Millinocket	3,770	3,850	4,190	3,610	3,680	3,880	160	170	310	4.2	4.4	7.4
Norway-Paris	11,590	12,250	12,150	11,010	11,840	11,740	580	410	410	5.0	3.3	3.4
Patten-Island Falls	2,420	2,460	2,320	2,270	2,320	2,160	150	140	160	6.2	5.7	6.9
Rockland	18,450	19,030	18,100	17,680	18,320	17,550	770	710	550	4.2	3.7	3.0
Rumford	8,050	8,520	8,490	7,640	8,030	8,120	410	490	370	5.1	5.8	4.4
Sanford	16,610	16,950	15,880	15,890	16,490	15,430	720	460	450	4.3	2.7	2.8
Sebago Lakes Region	10,980	11,310	10,840	10,660	11,060	10,570	320	250	270	2.9	2.2	2.5
Skowhegan	21,820	22,620	21,870	20,720	21,610	20,620	1,100	1,010	1,250	5.0	4.5	5.7
Southwest Penobscot	10,240	10,550	10,340	9,770	10,050	9,680	470	500	660	4.6	4.7	6.4
Waterville	23,960	24,150	24,160	23,010	23,410	23,290	950	740	870	4.0	3.1	3.6
OTHER NEW ENGLAND STATES												
Connecticut	n/a	1,795.8	1,774.3	n/a	1,741.1	1,718.7	n/a	54.7	55.6	n/a	3.0	3.1
Massachusetts	3,135.0	3,146.0	3,087.3	3,041.0	3,035.0	3,005.6	94.0	111.0	81.8	3.0	3.5	2.6
New Hampshire	n/a	613.5	599.3	n/a	598.2	586.7	n/a	15.3	12.6	n/a	2.5	2.1
Rhode Island	540.7	534.4	525.3	522.0	519.8	506.9	18.7	14.6	18.4	3.5	2.7	3.5
Vermont	n/a	304.1	302.4	n/a	295.3	291.3	n/a	8.8	11.1	n/a	2.9	3.7
NEW ENGLAND STATES	n/a	6,999.7	6,878.2	n/a	6,777.5	6,677.1	n/a	222.2	201.1	n/a	3.2	2.9
UNITED STATES 4/	122,120	122,639	120,206	115,978	116,314	113,679	6,142	6,325	6,526	5.0	5.2	5.4

MSA-Metropolitan Statistical Area

Note

n/a indicates that the information was not available at the time of printing.
Employment and unemployment may not add to labor force due to rounding.

Footnotes

1/ Labor force, employment and unemployment data for all areas not seasonally adjusted. Estimates made independently for each labor market area have been benchmarked to and extrapolated from the Current Population Survey estimates for the state. All data adjusted to place of residence basis. Excludes members of the Armed Forces.

2/ Current and last month figures preliminary, year ago figures revised.

3/ Kittery-York is the eight-town Maine portion of the Portsmouth-Dover-Rochester MSA which includes towns in both Maine and New Hampshire.

4/ National estimates based on a sample of household visits, state estimates based on enlargements of employment figures reported.

THESE DATA ARE DEVELOPED BY THE MAINE BUREAU OF EMPLOYMENT SECURITY IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS.

Mid-Month Insured Unemployment (Less Partials)

ITEM	STATEWIDE			PORTLAND MSA			LEWISTON-AUBURN MSA		
	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago	This Month	Last Month	Year Ago
Number of Continued-Week Claimants	6,653	4,884	6,205	636	544	588	801	430	583
Insured Unemployment Rate *	1.3	1.0	1.3	0.5	0.5	0.5	1.6	1.1	1.6

* Should not be confused with insured unemployment rates as defined in the Employment Security Law.

Maine Nonfarm Wage and Salary Employment by Place of Work

In Thousands

ITEM	1988 4th Quarter	Previous Quarter	Year Ago	Net Change to Current Quarter From Previous Quarter	Net Change to Current Quarter From Year Ago
Total Nonfarm Wage and Salary Employment	533.2	534.7	515.8	-1.5	+17.4
Total Manufacturing	109.7	107.5	105.6	+2.2	+4.1
Durable Goods	53.3	51.7	49.5	+1.6	+3.8
Lumber and Wood Products	13.7	13.6	14.1	+0.1	-0.4
Primary and Fabricated Metals	3.7	3.6	3.5	+0.1	+0.2
Industrial Machinery and Equipment	4.9	4.9	4.4	0.0	+0.5
Electronic and Other Electric Equipment	12.0	11.9	11.0	+0.1	+1.0
Transportation Equipment	13.6	12.8	11.3	+0.8	+2.3
Other Durable Goods	5.4	4.9	5.2	+0.5	+0.2
Nondurable Goods	56.4	55.8	56.1	+0.6	+0.3
Food and Kindred Products	7.4	8.0	7.3	-0.6	+0.1
Textile Mill Products	6.3	5.7	6.7	+0.6	-0.4
Apparel and Other Textile Products	3.1	3.0	3.2	+0.1	-0.1
Paper and Allied Products	17.3	17.4	16.7	-0.1	+0.6
Printing and Publishing	5.5	5.4	5.4	+0.1	+0.1
Rubber and Misc. Plastic Products	3.7	3.7	3.6	0.0	+0.1
Leather and Leather Products	11.9	11.3	12.0	+0.6	-0.1
Footwear (except Rubber)	10.0	9.5	10.0	+0.5	0.0
Other Nondurable Goods	1.2	1.3	1.2	-0.1	0.0
Total Nonmanufacturing	423.5	427.2	410.2	-3.7	+13.3
Construction and Mining	36.1	37.8	32.5	-1.7	+3.6
Building Construction	12.6	13.5	12.6	-0.9	0.0
Special Trades Contractor	16.8	17.0	14.5	-0.2	+2.3
Transportation and Public Utilities	21.6	21.8	20.5	-0.2	+1.1
Wholesale Trade	25.4	25.2	24.4	+0.2	+1.0
Retail Trade	106.9	110.7	104.8	-3.8	+2.1
Food Stores	19.7	20.2	19.3	-0.5	+0.4
Eating and Drinking Places	32.1	38.4	29.9	-6.3	+2.2
Finance, Insurance and Real Estate	25.5	25.5	25.1	0.0	+0.4
Banking	9.1	9.2	8.6	-0.1	+0.5
Insurance Carriers, Brokers and Agents	10.1	9.9	10.3	+0.2	-0.2
Services	112.9	121.9	109.7	-9.0	+3.2
Hotels and Other Lodging Places	7.8	14.1	7.2	-6.3	+0.6
Business Services	12.2	12.3	11.7	-0.1	+0.5
Health Services	42.5	42.9	41.5	-0.4	+1.0
Federal Government	18.8	18.6	18.8	+0.2	0.0
State and Local Government	76.3	65.7	74.4	+10.6	+1.9
Involved in Labor Management Disputes	0.0	1.2	1.3	-1.2	-1.3

THESE DATA ARE DEVELOPED BY THE MAINE BUREAU OF EMPLOYMENT SECURITY IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS.

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